

Statement of

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Hearing on “The American Community Survey: The Challenges of  
Eliminating the Long Form From the 2010 Census”

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Good Morning. Thank you for the opportunity to be part of this hearing on the “American Community Survey and the Challenges of Eliminating the Long Form From the 2010 Census.” My name is Joan Gentili Naymark. I am Director of Research and Planning for Target Corporation (Target), the nation’s second largest general merchandise retailer. This morning, I represent the United States Chamber of Commerce, the world’s largest business federation, representing more than 3 million organizations of every size, sector, and region, including Target Corporation. I also represent the United States Chamber of Commerce on the Census Advisory Committee to the Secretary of Commerce. In this role, I offer a strong endorsement for the American Community Survey (ACS). The American Community Survey will collect data from a survey sample of 3 million households each year, in every county, and American Indian

and Native Alaska area, as well as in the Hawaiian Homelands and Puerto Rico. If the ACS is implemented as planned, it will provide the same sort of data as the decennial census long form questionnaire, and will be updated annually. With a nationwide sample of 3 million addresses, the American Community Survey can provide demographic, social, economic and housing profiles annually for areas and subgroups with 65,000 or more people. For communities of less than 65,000, it will take 3 to 5 years to accumulate enough of a survey sample to provide estimates similar to the quality of the decennial census long form.

Areas of 20,000 or more people will use a 3-year average updated every year. Areas of less than 20,000 people will use a 5-year average updated every year. By providing the same quality information earlier than the decennial census, full implementation of the American Community Survey, pending Congressional funding, will eliminate the need for a long form in the 2010 decennial census.

I believe the ACS is the right approach to the collection of detailed demographic information for the beginning of this century. The ACS is vital to economic development and wise government and business decision-making. I believe the ACS is an improvement over the Census long form questionnaire because the ACS provides small geographic area information annually and the long form occurs once every decade. But with a fully implemented ACS, we can eliminate the long form and replace it with something more valuable -- quality data reflecting the current conditions.

Although my professional experience is in the retail sector, I believe that my views reflect those of the broader business community, including the housing and mortgage banking, communications, transportation, marketing, and manufacturing sectors. Collectively, these sectors drive trillions of dollars in economic activity, through capital investment, movement of goods, provision of goods and services, job growth, and community development and stability.

Broadly speaking, I represent the use of census data within the business community. **We need high quality long form data for small geographic areas in order to make strategically and financially sound decisions.** We need data to be comparable over time, and across geography. It must have a high degree of accuracy and be without bias. With proper oversight and implementation, the ACS will provide this kind of data.

Census Bureau survey data are essential tools for broad-based decision-making in the private sector. Target uses long form census data to select locations for new stores, for capital spending decisions on remodeling and infrastructure, to provide merchandise, marketing, and advertising to match the characteristics of the neighborhoods in which the stores operate, to plan our work force and to support community giving. For over 50 years, Target has contributed five percent of federally taxable income to support nonprofits in the communities in which we operate stores. In keeping with our strong tradition of giving, Target Corporation will give over \$2 million every single week to the communities we serve in 2003. Target grant-making focuses on the arts, education and

on family violence prevention. Target, in partnership with the U.S. Department of Education, is proud to support No Child Left Behind, and supports a wide variety of reading and school initiatives.

Target's new store site location decisions are made for the long-term -- 20+ years. Each store costs upwards of \$20 million. Making a wrong decision is not easily corrected. Building for the long term brings jobs, shopping, and economic stability to local communities. Smaller retail stores, restaurants, and service providers depend on the research of large retailers and developers and co-locate in larger shopping centers. Target confidently opens stores in a wide range of settings -- suburbs, urban areas, fringe edge cities. Our communities change over time, and we must be able to measure that change. The transition of an older community into a better-educated, younger family neighborhood is often difficult to observe, and impossible to measure, without good quality small area data. We strive to serve all kinds of communities, but must understand their different characteristics in order to tailor the products and services we offer to meet the needs of residents. In dense urban areas such as Queens, New York, and Chicago, Illinois, the use of mass transit, car ownership, and commuting patterns inform our store planning decisions, from the need for fewer parking spaces to less demand for large-sized packaging for paper towels.

Small area census long form data helps to inform a wide array of merchandising decisions for Target's 1,100 existing stores and 100+ planned new stores each year. The age mix of the local housing stock, rate of household formation, and family composition

inform our understanding of home décor merchandise sales – areas with new homes, household turnover, and home-owners purchase more home merchandise than older, stable, or rental housing areas.

Census 2000 long form data have been used to identify multi-cultural merchandising opportunities and accurately place bilingual signs in our stores. Hispanic and Asian populations grew rapidly in the 1990s in many of the neighborhoods in which Target and Mervyn's stores operate. In order to provide desired merchandise for our guests in these growth areas, Target researches trends in the multicultural population within three miles of our stores and in each store's broader geographic trade area. By examining the trends over the decade, we are able to anticipate merchandising shifts based on extrapolation. No private data vendor is able to adequately capture ethnic change at the neighborhood level. Straight-line trending and windshield surveys in the local area are no substitute for quality, updated data. Annual American Community Survey data would be immensely useful in this application by eliminating simplistic trending assumptions.

The combination of sophisticated geographic information systems mapping software and powerful computer models allows us to leverage small area data to a degree not imaginable even five years ago. Small area data, available annually instead of once per decade, if and when the ACS is fully implemented, will provide even greater opportunity to serve the consumers of our communities through modern analytic tools.

The maps attached to this document provide a spatial view of the neighborhood profile of metropolitan Denver, Colorado and the location of Target stores. In 2001, Montgomery Ward declared bankruptcy and closed 258 stores. Many of the units were in first tier older suburbs, including Aurora, Colorado, which had experienced residential and socioeconomic change in the past decade. Neighborhood transition is a large risk factor for Target and other businesses. How has family and household structure changed? Do residents rent or own their homes? What is their economic and educational profile? If they are baby boomers, are they empty nesters or do they still have teenagers at home? What is their income and occupational profile? The answers to these questions determine our success in operating neighborhood-focused stores. The American Community Survey would provide the answers in a timely way, allowing us to make forward-looking decisions instead of mistakes based on outdated and incorrect information.

The private sector needs timely data to anticipate and meet the needs of people and communities that are changing more rapidly than a once-a-decade survey can measure. Until six months ago, when Census 2000 long form data became available for small areas, Target's research still used 1990 census long form data for many characteristics-- educational attainment, occupational profile, owner/renter housing occupancy, labor force status of mothers, age of housing stock. It was better than nothing, but not by much. There was no other choice. Decisions made two years ago can now be evaluated using 2000 census long form data. We have discovered varying degrees of change in our trade areas: some areas increased from 20 percent college

educated in 1990 to 35 percent college educated by 2000, but others retained their educational profile over the decade. Those differences impact our merchandising and sales performance and we are revising our expectations accordingly. If small area ACS data are available by 2009, we will not be making such comparisons and adjustments three years after the 2010 census, as we are today.

The American Community Survey offers a promising alternative to the census long form by measuring many characteristics of our population on a continuous basis, with annual data releases once fully implemented. It would provide far more timely data than the once-a-decade long form, and allow more precise estimates of change over time. The composition and distribution of our population, our living arrangements, and the way we work are changing dramatically.

Timeliness is a critical element of accuracy in this new century. Annual data collection is an investment in the economic infrastructure of this country. I encourage you to consider the economic value added of that investment as you weigh the advantages and costs of replacing the 2010 long form questionnaire with the American Community Survey.

With an appropriate process for determining content, the American Community Survey would also provide a timely vehicle for meeting emerging data needs identified by Congress, as well as state and local officials. These are significant advantages of the ACS.

Congress must make a commitment to support the American Community Survey over the long term – with adequate sample size, field staff, and outreach efforts, to ensure the availability of accurate, comprehensive data throughout the decade. Fluctuating support for the survey would seriously jeopardize the availability of data for small communities and populations, as well as our ability to monitor change over time and to make sound comparisons across time and geography.

The American Community Survey represents a sound and modest investment in the knowledge we need, in both the public and private sectors, to make wise and cost-effective decisions that spur and sustain economic development and growth and improve the quality of life in all communities.

Government and the private sector need objective, reliable statistics about our population and communities to make informed and fiscally prudent decisions that support long-term economic growth and check wasteful spending. There simply is no viable alternative source for the information traditionally collected in the census and, if Congress agrees, in the proposed American Community Survey. Further, census data, whether from the long form or ACS, are a public resource, representing all communities and accessible to all people.

Critics might suggest that the private sector collect the data it needs on its own. That view reflects a misunderstanding of data collection processes in both the public and



private sectors. The Census Bureau is uniquely positioned to ensure that we know as much about the characteristics, and therefore the needs of Bartow, Florida (population 15,000) as we do about St. Louis, Missouri (population 348,000). A privately run organization could not replicate the conditions and infrastructure required to collect accurate, comparable data for communities and population groups of all sizes across this vast and diverse country. Without universal neighborhood-level information, communities would be overlooked as businesses decide where to go, where to spend, what to build and offer, and who to hire. Data collected by the government becomes, in the aggregate, a public resource, available to all. The joint efforts of business, local government, non-profit, and other organizations, using comparable information, will build strong communities and neighborhoods.

Americans and their elected representatives are rightfully concerned about the privacy of personal information that reflects who they are and how they live. Fortunately, the Census Bureau is not in the business of compiling personal data. Its only mission is to collect and publish aggregate statistics on the characteristics of our population, our communities, our housing, and our economy.

At first glance, one might understandably question why the Census Bureau wants to know how many rooms are in your home, or what time you leave for work, or if you need assistance at home. Again, fortunately, the Census Bureau does not care what time you or I leave for work or how much money we personally make. It must ask those questions for the sole purpose of producing an impersonal portrait about how we live and

what we need to improve our quality of life, collectively. Are most people leaving for work at the same time from a particular suburb bordering a major highway, causing significant traffic congestion? Traffic issues, quality of life, affordable housing, matching jobs to workers, smart growth, funding community and regional resources and services --- these are the issues of today, in every community. These are the issues that can be addressed with facts from high quality, annual small area long form data.

What we don't know *can* hurt us, in the form of poor allocation of scarce fiscal resources, and uninformed decisions about a community's needs and resources. This is a difficult time to support funding for a new federal program. There are important, competing national priorities, and a growing federal deficit. But we cannot forego all innovation in times of economic uncertainty. The American Community Survey is an investment that will facilitate better planning, ensure more prepared communities, and generate smarter investment and operational decisions. It is a cost-effective investment that is beneficial to all and is worth making.

The business community recognizes that the Census Bureau must continue to refine the design and operational plan for the American Community Survey in order to ensure that we are replacing census long form data with an equally useful, accurate, and comprehensive set of data. But we are confident that the program is now at a point where full implementation is both wise and necessary, if we are to realize both the promise of more timely data and re-focus the 2010 census on its constitutional mandate. Lawmakers, planners, the business community, researchers, and community-based

service providers rely extensively on census data day in and day out. As an extension of the census, the ACS will help all of us make smarter, more cost-effective decisions. We must have long form survey data in 2010, or a fully implemented American Community Survey. Given a choice, the most promising option for this new century is the American Community Survey. We urge Congress to support the American Community Survey by committing the necessary funds, now and over the long term, to make the program a reality.

In summary, the business community is united in its view that the American Community Survey has strong appeal for public and private use. We believe congressional oversight will help establish a strong, public record in support of the continued collection of reliable, consistent, and detailed aggregate information about our people and communities.

Thank you again for the opportunity to testify today. The business community whose views I represent today looks forward to working closely with this subcommittee and the entire Congress to strengthen America's data infrastructure. We support the American Community Survey to replace the Census 2010 long form questionnaire. It is good for our nation – for government and for the private sector. It deserves full and consistent funding for now and our future. At this time I would be happy to answer any questions from Members of the Subcommittee.